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Annual Report

Disabled Veteran Business Enterprise Participation

Activity Highlights Fiscal Year 1997 - 1998

State of California
Gray Davis, Governor

Department of General Services
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Prepared by
Office of Small Business Certification and Resources

Disabled Veteran Business Enterprise Participation FY 1997 -1998

Department of General Services

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Chapter I

OVERVIEW

Disabled Veteran Business Enterprise Participation Program

Purpose

The State of California established a three percent Disabled Veteran Business Enterprise (DVBE) participation goal to further their participation in state contracting. DVBEs must be Office of Small Business Certification and Resources (OSBCR) certified to establish program eligibility.

Description

California established a DVBE contracting participation goal of at least three percent. Awarding departments have the discretion to include the program goal within individual contracts.

For each applicable contract, prime contractors must achieve the minimum DVBE participation goal or demonstrate that they made a “good faith effort” to achieve participation. The law’s intent is to obtain DVBE prime or subcontractor-level participation.

Should a bid be submitted with less than minimum participation, a prime contractor must make and document that they made a “good faith effort” to obtain participation.

The five legally defined “good faith effort” steps are:

- Contact was made with the awarding department to identify DVBEs.
- Contact was made with other state and federal agencies, and with local DVBE organizations, to identify DVBEs.
- Advertising was published in trade papers and papers focusing on DVBEs, unless time limits imposed by the awarding department did not permit that advertising.
- Invitations to bid were submitted to potential DVBE contractors.
- Available DVBEs were considered.

Effective January 1, 1995, DVBE Utilization Plans were approved as an alternative for meeting DVBE Participation Program requirements. The plans apply when awarding contracts for materials, supplies, or equipment, including electronic data processing and tele communications goods and services. Originally, the DVBE Utilization Plan Program was administered by the Department of General Services, Procurement Division. Effective July 1, 1998, this responsibility was transferred to the OSBCR.

Disabled Veteran Business Enterprise Participation Program, *continued*

Reporting Requirements

State agencies report their fiscal year participation data and program plans annually to the Governor and the Legislature.

- Goals are expressed as a percent of the Department of General Services' (DGS) contract dollars.
 - DVBE participation data are reported by total contract dollars and for contracts under \$25,000.
 - Additional reporting categories include commodities, professional services, and construction.
 - Factors leading to any goal deficiencies are discussed.
 - Future plans for achieving full DVBE participation goals in the coming year are discussed.
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Highlights

The DGS promotes contract participation levels by focusing DVBE efforts in those activities and resources that have proven effective. The department's DVBE participation was achieved by targeting business community needs, educating staff, establishing effective contracting policies, and improving internal accountability and contract monitoring. Together these efforts encourage greater DVBE participation and decrease good faith effort documentation in the department's contracting.

Partnerships and extensive outreach efforts have assisted and informed the business community of DGS contracting opportunities. Pre-bid conferences contribute to contractors and vendors increased familiarity with the state contracting process. The director, deputy directors, and office chiefs participate in business-sponsored community events to exchange information on state contracting laws. The DGS sponsors and participates in business promotion fairs to advise contractors of state contracting opportunities. Offices exchange information with, and survey, clients to improve programs. Also, the DGS networks with business development centers and other state agency DVBE contracting staff to collect, establish, and distribute lists of DVBE firms to potential prime bidders. The OSBCR offers workshops informing the business community of the DVBE Participation Program, Small Business and DVBE Certification and on line information.

In FY 1996-97, the California State Contracting Resource Packet became available on the Internet. This provides prime contractors with immediate access to information regarding the DVBE Participation Program. The "Resource Packet" provides educational and contract bidding guidance information towards the goal of more accurate and relevant program responses and bid solicitation package documentation. This project addresses numerous business plan objectives including improved client satisfaction.

Disabled Veteran Business Enterprise Participation Program, *continued*

Highlights, continued

The OSBCR certifies DVBE's for program eligibility. During FY 1997-98, the OSBCR continued to enhance the Business Information System (BIS) database developed and installed in FY 1995-96. BIS improves the quality and efficiency of certification services, allowing for more accurate and relevant management reports and providing certification information on the Internet. This project addresses numerous business plan objectives including improved client satisfaction. One of OSBCR's performance measures evaluates the average number of certification working days, i.e. turnaround time for responding to certification applications. During FY 1997-98, the OSBCR continued to achieve an average DVBE certification turnaround time under ten working days.

The California State Contracts Register (CSCR) provides daily updated state contract information to the business community through the Internet. Electronic distribution of bid solicitation packages by the CSCR became available for contractors during FY 1996-97. Additional system enhancements include advertisements by local government in the CSCR and the electronic STD. 812 Small Business and/or Disabled Veteran Business Enterprise Certification application. The OSBCR publishes via the Internet a listing of certified DVBEs. The OSBCR enhanced this service by offering a query report capability for marketing and networking. During FY 1997-98, the OSBCR introduced homepage and E-mail links for certified DVBEs to further marketing and networking efforts.

Future Plans

The DGS is committed to meeting DVBE goals. The department continues to develop department-wide guidelines and implement uniform contracting practices. Offices maintain ongoing DVBE training for staff who award and administer the department's contracts. Pre-bid conferences offer potential bidders focused assistance and information on DVBE requirements, along with a preview of contract compliance documentation. The OSBCR sponsors and hosts the Business Expansion Council to inform state contracting/purchasing officials about state contracting issues including DVBE Participation Program issues. The DGS' Office of Legal Services Sponsors the State Contracting Advisory Network (SCAN). The department invited other state agencies to form SCAN and co-author the State Contracting Manual (SCM) which serves as a guide to state contracting and the inclusion of relevant programs such as the DVBE Participation Program.

The department will continue its efforts to attain DVBE goals through evaluation and updating traditional methods and implementation of news technology. OSBCR offers state agency training classes for an in-depth education on the contracting programs including the DVBE Participation Program. Additional resources are available to aid the business community and state contracting/purchasing officials including the publication of "Your Business Guide To State Contracting" and a new quarterly newsletter that was first published in January 1998. Both of these are published by the OSBCR and are available on the Internet.

Disabled Veteran Business Enterprise Participation Program, *continued*

**Future Plans,
continued**

The OSBCR will continue outreach and education efforts by developing and participating in conference presentations. The OSBCR will continue to enhance its interactive home page to include electronic submittal of certification applications. The CSCR will initiate advertising on the Internet by prime bidders and subcontractors for networking.

Authority

Public Contract Code, Part 2, Division 2, Chapter 1, Article 1.5, Section 10115 et seq., California Military and Veterans Code, Article 6, Section 999 et seq., and California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, 1896.60 - 1896.67, 1896.90 - 1896.98.

Internet Address

<http://www.dgs.ca.gov/osbcr>

Chapter II
STATISTICS

DEPARTMENT OF GENERAL SERVICES

FISCAL YEAR 1997-1998

DISABLED VETERAN BUSINESS ENTERPRISES

ALL CONTRACTS

CONTRACTS UNDER \$25,000

OFFICE	TOTAL CONTRACT DOLLARS		DISABLED VETERAN		UNDER \$25,000 CONTRACT DOLLARS		DISABLED VETERAN	
	Contract Dollars	% of DGS	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office
Administrative Hearings	\$ 3,294,315	0.5%	\$ -	0.0%	\$ 1,025,820	31.1%	\$ -	0.0%
Architect, Division	\$ 1,508,092	0.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Executive Office	\$ 1,672,436	0.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Fleet Administration	\$ 12,707,481	1.8%	\$ 5,107	0.0%	\$ 3,327,764	26.2%	\$ 5,107	0.2%
Fiscal Services	\$ 452,760	0.1%	\$ 182	0.0%	\$ 253,078	55.9%	\$ 182	0.1%
Human Resources	\$ 172,243	0.0%	\$ -	0.0%	\$ 145,152	84.3%	\$ -	0.0%
Information Services	\$ 3,021,319	0.4%	\$ 432	0.0%	\$ 2,165,847	71.7%	\$ 432	0.0%
Legal Services	\$ 108,175	0.0%	\$ -	0.0%	\$ 108,175	100.0%	\$ -	0.0%
Public School Construction	\$ 300,336	0.0%	\$ -	0.0%	\$ 1,550	0.5%	\$ -	0.0%
Risk & Insurance Mgmt	\$ 838,607	0.1%	\$ -	0.0%	\$ 364,197	43.4%	\$ -	0.0%
Small Business	\$ 295,227	0.0%	\$ 8,571	2.9%	\$ 295,227	100.0%	\$ 8,571	2.9%
State Publishing	\$ 17,171,534	2.4%	\$ -	0.0%	\$ 3,216,319	18.7%	\$ -	0.0%
Procurement	\$ 496,565,157	69.1%	\$ 4,796,512	1.0%	\$ 5,376,244	1.1%	\$ 62,936	1.2%
Real Estate	\$ 173,768,643	24.2%	\$ 2,712,104	1.6%	\$ 2,823,334	1.6%	\$ 81,344	2.9%
Telecommunications	\$ 6,950,793	1.0%	\$ 9,070	0.1%	\$ 299,873	4.3%	\$ -	0.0%

				% of DGS		% of DGS		% of DGS
GRAND TOTAL	\$ 718,827,118	100.0%	\$ 7,531,978	1.0%	\$ 19,402,580	2.7%	\$ 158,572	0.8%

DEPARTMENT OF GENERAL SERVICES

FISCAL YEAR 1997-1998

DISABLED VETERAN BUSINESS ENTERPRISES

ALL CONTRACTS

CONTRACTS UNDER \$25,000

CONTRACT TYPE	TOTAL CONTRACT DOLLARS		DISABLED VETERAN		UNDER \$25,000 CONTRACT DOLLARS		DISABLED VETERAN	
	Contract Dollars	% of DGS	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office
Commodities	\$ 514,647,274	71.6%	\$ 4,805,637	0.9%	\$ 11,484,664	2.2%	\$ 72,061	0.6%
Services	\$ 75,112,718	10.4%	\$ 1,041,542	1.4%	\$ 7,170,507	9.5%	\$ 60,786	0.0%
Construction	\$ 129,067,126	18.0%	\$ 1,684,799	0.0%	\$ 747,409	0.6%	\$ 25,725	0.0%

				% of DGS		% of DGS		% of DGS
GRAND TOTAL	\$ 718,827,118	100.0%	\$ 7,531,978	1.0%	\$ 19,402,580	2.7%	\$ 158,572	0.8%